

Attorney for Respondents MindFreedom  
International, Judi Chamberlin, and  
Robert Whitaker

IN RE: ZYPREXA PRODUCTS  
LIABILITY LITIGATION

MEMORANDUM OF POINTS  
AND AUTHORITIES OF  
RESPONDENTS MINDFREEDOM  
INTERNATIONAL, JUDI  
CHAMBERLIN AND ROBERT  
WHITAKER IN SUPPORT OF  
MOTION TO MODIFY CMO-3

As the Second Circuit recognized in *In re Agent Orange Product Liability Litigation*, 821 F. 2d 139 (2d Cir. 1987):

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1 *Agent Orange* at 145. The court went on to point out that Rule 5(d)  
2 requires that all discovery materials must be filed with the district court  
3 unless the court orders otherwise, and reviewed the legislative history of  
4 this rule, which showed that the drafters intended the rule to be more than  
5 a housekeeping issue. The court held that this rule creates a strong  
6 presumption of the right of public access to discovery documents:

7           A judge would not be expected to excuse parties from filing  
8 materials in any case in which the public or the press has an  
9 interest, such as a Watergate or similar scandal. Moreover,  
10 should the public importance of the material not appear until  
11 after filing has been excused, it is expected that the judge,  
12 upon motion of the press or other interested persons, would  
13 order the parties to file the documents for inspection...Access is  
14 particularly appropriate when the subject matter of the  
litigation is of especial public interest...There is no question  
that a Rule 26(c) protective order is subject to modification.  
Whether to lift or modify a protective order is a decision  
committed to the sound discretion of the trial court.

15  
16 *Agent Orange* at 146-147. Respondents wish to point out here that as far  
17 as they can determine from examining the docket sheets in the underlying  
18 case, encompassing about a thousand documents filed with the court,  
19 there never was a hearing to establish whether good cause existed for  
20 granting the protective order. Rather, it seems to have been issued  
21 following a joint application of plaintiffs and defendant in the underlying  
22 mass litigation. Furthermore, the sworn testimony of Richard Meadow, a  
23 member of the plaintiffs' committee in the underlying case, during the  
24 hearing of January 17, was that defendant, of the literally millions of pages  
25 of documents it has produced in the underlying litigation here, designated  
26 virtually all of them as confidential. Transcript of January 17 hearing,  
27 213:18 et seq. 214:17 et seq.  
28

1           Balanced against defendant's complete lack of a legitimate  
2 privacy interest in the documents in question, respondents will  
3 demonstrate why a great public interest would be served in releasing the  
4 documents from the protection of CMO-3.

5  
6           **THE COURTS SHOULD RECOGNIZE THAT GRANTING**  
7           **SECREC Y TO WRONGDOERS DAMAGES THE LARGER SOCIETY**

8           The documents that defendant claims should be secret show  
9 this: certain executives of defendant corporation, motivated by  
10 greed, deliberately engaged in a course of action that they knew would  
11 cause, and did cause, the injury and death of thousands of  
12 people. Because of defendant executives' depraved disregard for human  
13 life, thousands upon thousands of innocent people were left with their  
14 bodies bloated, their health ruined, and their lives severely shortened or  
15 rapidly ended. These are serious crimes, including homicide.

16           Those involved in the legal system who could take action to  
17 prevent this kind of criminal behavior are often reluctant to recognize it for  
18 what it is. Two or three decades ago, the public was outraged when it was  
19 revealed that Ford executives had made the decision to maximize profit by  
20 designing a gas tank for the Ford Pinto that they knew would lead to  
21 deaths, but would be cheaper and thus more profitable to make.  
22 *Grimshaw v. Ford Motor Company*, 119 Cal. App. 3d 757 (1981). But now,  
23 this sort of behavior, especially in the drug industry, has become so  
24 common that a kind of moral numbness seems to have set in, as enormous  
25 crimes have become almost routine practices.

26           And it is now the legal system, rather than other government  
27 agencies like the FDA, that is most effective and necessary in bringing to  
28

1 the public's attention the problems with drugs, as the FDA often acts to  
2 support the drug companies rather than protect the public. In a very  
3 recent article, even the Journal of the American Medical Association,  
4 certainly not a radical publication, has recognized that the FDA is  
5 inadequate for the task and that litigation is essential in finding the true  
6 facts about over-hyped medications. Aaron Kesselheim and Jerry Avorn,  
7 The Role of Litigation in Defining Drug Risks, *J.A.M.A.*, January 17, 2007.

8  
9 **THE TORT SYSTEM, FACED WITH DEFENDANTS**  
10 **OF ENORMOUS WEALTH AND POWER, NO LONGER**  
11 **IS ADEQUATE TO PREVENT THESE ABUSES**

12 Defendant drug company has annual revenues greater than the  
13 gross national product of many small countries. Sales of Zyprexa were  
14 \$4.4 billion in 2005, and \$4.2 billion in 2006. The company has received  
15 over \$30 billion from sales of this drug since it first came on the market in  
16 1996. 20 million people have been given Zyprexa, often involuntarily, since  
its introduction. New York Times, January 20, 2007.

17 Theoretically, the tort system is supposed to serve the function  
18 of discouraging or preventing non-criminal but reprehensible behavior. But  
19 faced with tortfeasors for whom billion-dollar settlements are simply a cost  
20 of doing business, money damages can no longer serve this function. The  
21 only way to change this situation is through an informed public opinion and  
22 the involvement of the criminal justice system.

23 Yet routinely, corporate defendants are allowed by the courts  
24 to hide their behavior from the public, often with no other showing of  
25 "good cause" than that both defendants and plaintiffs have agreed that a  
26 protective order should be issued. While this may often be necessary if  
27 litigation is to be settled expeditiously, it is mistaken to think that this is  
28 somehow efficient. For after one case, or thousands of cases, are settled

1 with all discovery documents sealed, this secrecy means the courts soon  
2 will have to deal with a new round of lawsuits, by plaintiffs who would not  
3 have been injured but for the secrecy allowed in the earlier cases.

4 And of course, there is a much stronger moral imperative for the  
5 courts than the efficient settlement of cases: protecting the public.

6  
7 **DEFENDANT CORPORATION HAS A LONG  
HISTORY OF DISHONESTY IN PROMOTING ITS PRODUCTS**

8 Eli Lilly has a long history of hiding the dangerousness of its  
9 products. In 1980, Lilly began marketing Oraflex, a drug for arthritis, in the  
10 United Kingdom and eight other countries. In 1982, it obtained FDA  
11 approval to market it in the United States. But the company hid from the  
12 FDA that Oraflex had caused many deaths and illnesses in the earlier  
13 markets. In the U.S., the company failed to warn consumers that the drug  
14 might damage the liver and kidneys. At least 100 people died from Oraflex  
15 in the U.S. The drug was withdrawn from the U.S. market in 1982, the  
16 same year it was introduced.

17 In 1985, Lilly was prosecuted for its handling of the drug's  
18 marketing. But although career Justice Department prosecutors believed  
19 they had strong criminal cases against several Lilly executives, they were  
20 overruled by their superiors. Lilly, the corporation, was allowed to plead  
21 guilty to a misdemeanor, and fined \$25,000.

22 One congressman, John Conyers, commented at the time,  
23 "On the one hand, street criminals are prosecuted to the full extent of the  
24 law. On the other hand, corporate officials who may be responsible for the  
25 death and injury of hundreds of thousands of people are merely slapped  
26 on the wrist." New York Times, August 29, 1985; TIME magazine,  
27 September 2, 1985.

1           On September 14, 1989, after taking another best-selling Lilly  
2 drug, Prozac, Joseph Wesbecker shot eight co-workers dead and wounded  
3 twelve others before turning his gun on himself. In 1994, a wrongful death  
4 trial began in Kentucky over this incident. A verdict for the plaintiffs would  
5 have created extremely bad public relations for Lilly's blockbuster drug.

6           The plaintiffs convinced the trial judge to let them introduce  
7 evidence about Lilly's earlier dishonest handling of Oraflex. But as the trial  
8 proceeded, the judge noted that the plaintiffs failed to use the Oraflex  
9 evidence, and in fact did not seem to be putting on much of a case at all.  
10 Suspecting something was wrong, the judge questioned attorneys for both  
11 sides in chambers, trying to ascertain whether some secret settlement had  
12 been reached. Both sides denied it, and the case went to the jury, who  
13 promptly rendered a verdict for the defendant. Lilly then issued a press  
14 release, claiming that the verdict showed that a jury had found that Prozac  
15 was safe and effective.

16           But the trial judge, sensing that something was very wrong,  
17 took the extremely unusual step of "appealing" the verdict in his own  
18 court. With the approval of the Kentucky Supreme Court, the verdict was  
19 ultimately recorded as a settlement. Yet in spite of the fact that Lilly had  
20 committed a fraud on the court, no sanctions were imposed.

21           In 1995, in an unrelated divorce case, one of the Wesbecker  
22 plaintiffs was compelled to reveal his income, and it came out that Lilly had  
23 purchased the silence of the plaintiffs with millions of dollars. Journal of the  
24 American Bar Association, August 1996, 18: *Potter v. Eli Lilly & Co.*, 926  
25 S.W. 2d 449 (Ky. 1996). *Winkler v. Eli Lilly*, 101 F. 3d 1196 (7th Cir. 1996)

26           Furthermore, in its obsession with secrecy, Lilly obtained an  
27 injunction against subsequent plaintiffs in yet another consolidated case  
28 seeking compensation for the effects of Prozac on their family members,

1 forbidding them from even attempting to find out the facts about the secret  
2 settlement in the earlier case. The injunction was later vacated by the 7th  
3 Circuit. *Winkler v. Eli Lilly & Co*, op. cit.

4 In 1997, Eli Lilly began marketing Evista, approved by the FDA  
5 for treating osteoporosis in post-menopausal women. But sales were  
6 disappointing, and so Lilly, based on very little evidence, began promoting  
7 the drug as an agent for preventing breast cancer, although the FDA had  
8 resisted giving Lilly an indication for marketing the drug for this purpose,  
9 and had even sent Lilly a warning letter about its promotional materials  
10 that made the breast cancer claim. Zeneca (now known as  
11 AstraZeneca), a Lilly competitor, at that time had the only drug on the  
12 market, Nolvadex (tamoxifen), approved to reduce the risk of breast  
13 cancer. Perceiving that Lilly's promotion of Evista for an off-label use was  
14 damaging its business interests, Zeneca sued Eli Lilly in federal court,  
15 seeking to have Lilly enjoined from wrongfully promoting Evista for a  
16 purpose for which it was not approved. The district court agreed with  
17 Zeneca, and enjoined Lilly from claiming to doctors that Evista prevented  
18 breast cancer or was superior to Nolvadex in preventing breast cancer. The  
19 court also made a finding of fact that, by making false statements about  
20 the effectiveness of Evista regarding breast cancer prevention, Lilly had  
21 created a grave public health risk. *Zeneca v. Eli Lilly & Co.*, 1999 U.S. Dist.  
22 Lexis 10852 (S.D.N.Y. 1999).

23 On October 24, 2002, the Cancer Prevention Coalition issued a  
24 press release warning that women taking Evista were at increased risk for  
25 ovarian cancer. Samuel Epstein, M.D., the chair of the Coalition, pointed  
26 out that Eli Lilly's own studies showed that Evista induced ovarian cancer in  
27 rats, and, at doses well below the therapeutic level, in mice. Lilly's own  
28 report of its study said, "The clinical relevance of these tumor findings is

1 not known." But according to Dr. Epstein, "[T]his conclusion violates the  
2 strong scientific consensus that the induction of cancer in well-designed  
3 studies in two species creates the strong presumption of human risk."

4           However, Eli Lilly failed to disclose this critical information in the:  
5 "Warning" section of the Physician's Desk Reference; a December 4, 1997  
6 publication in the New England Journal of Medicine; full page  
7 advertisements in major national newspapers; and the drug's label.

8           Dr. Epstein also cited a 2001 study at the University of  
9 Southern California that found Evista increases the growth rate of ovarian  
10 cancer cells in laboratory studies, and thus may increase the risk of  
11 recurrence of ovarian cancer. The statement went on to criticize the  
12 National Cancer Institute's "continuing silence on this avoidable risk of  
13 ovarian cancer despite its annual multibillion-dollar taxpayers' funding."

14           In 2002, the U.S. Department of Justice notified Lilly that it was  
15 initiating a criminal investigation into Lilly's marketing of Evista. In a later  
16 criminal filing against the company, the DOJ said that Lilly's illegal marketing  
17 of Evista continued from 1998 to as late as 2000, in spite of the 1999  
18 injunction. On December 21, 2005, the DOJ announced in a press release  
19 that Lilly (the corporation, not any of its executives) "agreed to plead guilty  
20 and to pay \$36 million in connection with its illegal promotion of Evista." It  
21 also entered into a consent decree for a permanent injunction.

22           On the same day the DOJ announced its action, Don Woodley, a  
23 principal with Woodley Ferra Manion Portfolio Management, was quoted in  
24 the Washington Post as saying, "This settlement is very reasonable and  
25 affordable. It's chump change for a company of Lilly's size." By that time,  
26 global sales of Evista had reached \$770.8 million for the first nine months  
27 of that year.

28



1 It is not known how many women may have been injured or  
 2 killed as a result of Lilly's illegal marketing of Evista. However, it is known  
 3 that sales of Evista in its first year on the market were about \$120 million,  
 4 and in 2003 were \$922.1 million. Bloomberg News, March 26, 2004; DOJ  
 5 press release, December 21, 2005.

6 And of course the documents in question here show that  
 7 defendant, over a number of years, misled doctors and the public about  
 8 the true effects of Zyprexa, either by false statements or by suppressing  
 9 the facts.

10  
 11 **THE VICTIMS OF DEFENDANT'S WRONGDOING ARE AMONG**  
 12 **THE MOST VULNERABLE AND POWERLESS GROUPS IN OUR SOCIETY,**  
**AND MOST IN NEED OF THE PROTECTION OF THE COURTS**

13 Zyprexa is a drug of the class known as "antipsychotics." As  
 14 such, it is generally administered to people who have received a psychiatric  
 15 diagnosis of schizophrenia or bipolar disorder, although defendants have  
 16 been illegally promoting the drug for other conditions as well. And people  
 17 who have been given this label are among the most powerless and  
 18 disrespected groups in America. As Judi Chamberlin writes in her book *On*  
 19 *our Own: Patient-Controlled Alternatives to the Mental Health*  
 20 *System* (McGraw-Hill, 1979):

21 *Mental health and mental illness* are terms that have entered  
 22 the popular vocabulary. Yet they are terms that few people can  
 23 define. Lay people and psychiatrists alike tend to call people  
 24 mentally healthy when they like their behavior and mentally ill  
 25 when they dislike their behavior. Rebellious teenagers,  
 26 unhappy housewives, dissatisfied workers, or lonely old people,  
 27 for example, are often diagnosed as mentally ill, which is less a  
 28 medical, scientific description than it is a judgment that the  
 person so labeled has, in some way, behaved improperly.

We can see this judgmental process at work when we look at  
 the effect that a diagnosis of mental illness has on an

1 individual's life. Unlike physical illnesses, which affect particular  
2 parts of a person's body, mental illness affects that abstraction  
3 known as the mind. Once it has been decided that a person  
4 has a sick mind, enormous social consequences ensue. A  
5 finding of mental illness, which is often a judicial, as well as a  
6 medical, determination, frequently results in loss of  
7 liberty. People labeled mentally ill are usually presumed to be  
8 incapable of exercising their decision-making power in their own  
9 best interest. The compulsory psychiatric treatment of people  
10 labeled mentally ill usually involves confinement in a mental  
11 hospital, which is widely [and correctly] perceived as an  
12 unpleasant and undesirable fate. Mental patients who protest  
13 such confinement are seen as being unable to understand their  
14 own best interest; and often, once someone has been so  
15 diagnosed, even the perception of his or her place of  
16 confinement as undesirable or unpleasant is considered a sign  
17 of mental illness.

18 One young woman quoted in Chamberlin's book describes  
19 poignantly the reactions of those who knew her before her hospitalization,  
20 and her own self-doubt and destroyed self-esteem:

21 For a long time after I got out, I stayed home all the time,  
22 except when I was at school. I stopped going to feminist  
23 meetings, although I had been very active before. Women in  
24 the women's movement...women I had known for a long time  
25 and worked with, started treating me differently after I had  
26 been in the hospital. They were oppressing me. They wouldn't  
27 tell me things, wouldn't ask me to do any work, because they  
28 thought I couldn't handle stuff. They had been my friends, but  
now they would look at me as if I was crazy. When I tried to  
talk about it, I was afraid I was being paranoid.

Once out of the institution, former psychiatric patients, if others  
know their history, face constant reminders of their inferior status. Before  
the Americans with Disabilities Act, job applications routinely included a  
question about whether the applicant had ever been hospitalized for  
mental illness. Newspaper headlines, which not too long ago often read  
"Negroes Rob Bank in Broad Daylight," now frequently say something like

1 "Mental Patient Assaults Woman on Main Street." Of course, one never  
2 reads "Normal Person Commits Crime."

3 And the popular culture and vocabulary reinforce this, with  
4 phrases like "nut case" frequently used in ordinary conversation.

5 Although tens of millions of people have spent time as  
6 inpatients in psychiatric wards (according to the National Institute of  
7 Mental Health in 1982), the overwhelming majority of people with such a  
8 history hide it, for obvious reasons. Thus, although one may be literally  
9 surrounded by people with psychiatric histories, the general impression is  
10 that only a tiny group of people have been psychiatric inpatients.

11 Thomas Szasz, a psychiatrist and well-known critic of his own  
12 profession, has said:

13  
14 "Schizophrenia" is a strategic label, like "Jew" was in Nazi  
15 Germany. If you want to exclude people from the social order  
16 you must justify this to others but especially to yourself. So you  
17 invent a justificatory rhetoric. That's what the really nasty  
18 psychiatric words are all about: they are justificatory rhetoric,  
19 legitimizing the removal of the people so labeled from society.  
20 It's like labeling a package "garbage"; it means, "take it away,"  
21 "get it out of my sight," etc. That's what the word "Jew" meant  
in Nazi Germany; it did not mean a person with a certain kind of  
religious belief. It meant "vermin," "gas him!" I am afraid that  
"schizophrenia" and "sociopathic personality" and many other  
psychiatric diagnostic terms mean exactly the same thing.

22 "Interview: Thomas S. Szasz, MD," *The New Physician*, June 1969.

23 And it is little-known, but very important to know, that  
24 psychiatric patients in Nazi Germany, long before the Holocaust reached  
25 the full depth of its horrors, were the first group to be slaughtered in the  
26 gas chambers. Frederick Wertham, *A Sign for Cain: An Exploration of*  
27 *Human Violence*, Paperback Library, New York, 1969.

28

1 In a recent review of a book on medical experimentation on  
2 African-Americans, the New York Times wrote, in words that apply equally  
3 well to the position of psychiatric patients:

4  
5 ...[P]eople in power have always been capable of exploiting  
6 those they regard as "other," and of finding ways to rationalize  
7 the most atrocious abuse. The victims are declared defective,  
8 violent...or a drain on the community. The medical tinkering is  
9 for their own good, and the greater good of society."

10 New York Times, January 23, 2007, review of Harriet Washington, *Medical*  
11 *Apartheid*, Doubleday, 2007.

12 In the last few decades, the American legal system has begun  
13 to recognize that psychiatric patients should be protected from arbitrary  
14 deprivation of their liberty. *O'Connor v. Donaldson*, 422 U.S. 563 (1975);  
15 California Welfare and Institutions Code, section 5000 et seq. And the  
16 courts have started to acknowledge the seriousness of forcing powerful  
17 psychiatric drugs on people without their consent. *Rogers v. Commissioner*  
18 *of Mental Health*, 390 Mass. 489, 458 NE 2d 308 (1983); *Riese v. St. Mary's*  
19 *Hospital*, 259 Cal. Rptr. 669, 774 P 2d 698 (1989); *Myers v. Alaska*  
20 *Psychiatric Institute*, 138 P. 3d 238 (2006). But in practice, such legal  
21 protections are often not enforced, particularly in the area of forced  
22 drugging. California and Massachusetts, where some of the most  
23 important and earliest cases on the right to refuse psychiatric drugs were  
24 decided, have set up programs of quasi-judicial hearings to enforce the  
25 courts' holdings. But advocates from those states report that patients  
26 rarely win such hearings. This means that for most institutionalized  
27 psychiatric patients, there is no choice whether to take such toxic drugs as  
28 Zyprexa. More is needed to protect these people than some words on a  
package insert that they will never see.

One protection could be an aroused public opinion. Another is the necessity of criminal prosecutions of those drug company leaders who promote their products by lying about and hiding the true effects of these drugs. But if the courts allow drug companies to keep their criminal activities secret, it makes it much more difficult to protect their victims.

Psychiatric patients are not nut cases, schizophrenics, or "lives unworthy of life." We are human beings, deserving of the same respect as all other persons. And we are citizens, who are entitled to the equal protection of the law. If the words of the Declaration of Independence and the Fourteenth Amendment have any real meaning, the law should protect, not the desire for secrecy of the defendant, but the welfare and the very lives of the defendant's victims.

**THE COURT SHOULD NOT BE COMPLICIT IN PROTECTING  
DEFENDANT FROM THE JUST CONSEQUENCES OF ITS BEHAVIOR**

All human life is sacred. Societies that have lost sight of this moral imperative have become nations of lynch mobs and gas chambers. The documents that defendant corporation wants to keep secret show that its executives have violated, and continue to violate, this basic premise that holds decent societies together. Respondents urge this court to refuse to keep secret the evidence that would show the public that the officials of Eli Lilly are culpable, not of negligence or overly-sharp business practices, but of crimes against humanity.

Respectfully submitted,



TED CHABASINSKI  
Attorney for Respondents MindFreedom  
International, Judi Chamberlin and  
Robert Whitaker

PROOF OF SERVICE

I am over the age of 18, and not a party to the within action. On February 1, 2007, I served the following document:

**MEMORANDUM OF POINTS AND AUTHORITIES OF RESPONDENTS  
MINDFREEDOM INTERNATIONAL, ETC.**

on the following persons by facsimile:

Sean Fahey, Pepper Hamilton LLP	215-689-4642
John McKay	907-272-5646
Alan Milstein, Sherman Silverstein	856-488-4744
Alex Reinert, Koob & Magoolaghan	212-349-4658
Fred von Lohmann, Electronic Frontier Foundation	415-436-9993
Peter Woodin, JAMS	212-972-0051
Ken Feinberg, The Feinberg Group, LLP	202-962-9290
Melvyn Weiss, Milberg Weiss	212-868-1229
James Gottstein	907-274-9493

I also sent a hard copy of the document by Overnight Delivery to the Honorable Jack B. Weinstein, Senior District Judge, Eastern District of New York, 225 Cadman Plaza East, Brooklyn, N.Y. 11201, attention of June Lowe.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct.  
Executed at Berkeley, California, on February 1, 2007.

  
TED CHABASINSKI